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## TERMS OF REFERENCE

**For the Provision of Project Closeout Audit Services to the Government Technical Advisory Centre (GTAC).**

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### Programme Identification

Name of Client	GTAC/Jobs Fund
Name of Project	Closeout Audit of a Selected Enterprise Development Project
Contracting Authority	Government Technical Advisory Centre (GTAC), National Treasury
Accountable Officer	Acting Head of GTAC
Project Purpose	For the Provision of Closeout Audit Services to the GTAC/Jobs Fund

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## **1. REQUEST FOR QUOTATION**

Suitably qualified organisations are invited to respond to these Terms of Reference (ToR) for closeout audit services required on a project co-funded by the Jobs Fund (JF) under its Enterprise Development funding window. A suitably qualified and skilled audit team that fulfils this audit requirement is sought to conduct a closeout audit of an enterprise development project. The purpose of the closeout audit is to systematically assess and evaluate the completion of a project to ensure that all objectives, processes, and deliverables have been met in accordance with the agreed-upon terms as per the signed Grant Agreement.

## **2. BACKGROUND INFORMATION**

### **2.1 The Jobs Fund**

The Employment Facilitation sub-programme was introduced by the National Treasury in 2011 to contribute to employment and inclusive growth by supporting innovative approaches to job creation and enterprise development. The key component of the programme is the Jobs Fund, a multi-year R9 billion investment that leverages complementary funding from public and private sector project partners. The objective of the Fund is to co-finance innovative public and private sector initiatives that significantly contribute to job creation. The Fund operates on challenge fund principles, as a catalyst for innovation and investment in new ways of working that directly contribute to long-term sustainable employment creation.

The Jobs Fund assists partners in piloting innovative approaches to sustainable job creation through four funding windows, namely, Enterprise Development, Support for Work-seekers, Infrastructure, and Institutional Capacity Building. The Fund accepts applications from private, public, and non-governmental sectors during calls for proposals. Project partners are required to share both risk and costs by matching the grant fund allocation generally on a ratio of 1:1.

As well as focusing on creating jobs for the unemployed, the Jobs Fund has an explicit learning and knowledge dissemination agenda, which is intended to encourage new thinking and new approaches to job creation. During the implementation process, a significant body of learning has been generated. Project-level evaluations present an opportunity to initiate the process of documenting and sharing these insights in terms of what models are most successful in job creation and which of these models are replicable and show good potential for scalability.

## **2.2 The Jobs Fund Project**

The Jobs Fund project (hereinafter referred to as the “project”) provided an e-commerce platform for informal businesses in peri-urban areas to enable Business to Business (B2B) and Business to Client (B2C) trading that allows on-demand restocking support to small businesses through a last mile-backed online ordering system. The e-commerce platform enables the Jobs Fund to crowd in suppliers and discounts that can be passed down to consumers. Consumers are also able to buy stock from the platform without leaving their stores. Yebo Fresh has partnerships in place with some of the large wholesalers, as well as relationships with some of the manufacturers or suppliers.

The project focused on enterprise development. The project recruited and supported small businesses operating in the retail and wholesale sectors (Fast Moving Consumer Goods). The JF partner has a database of about 6,000 small businesses, including spaza shops, township restaurants, fruit and vegetable vendors, and hair salons. The project targeted youth and women.

The informal businesses in South Africa’s marginalised communities are constrained by:

- Lack of integrated stock management;
- Lack of business and financial skills to harness opportunities to enhance the business and growth;
- These targeted businesses lack support from the private and public sectors due to their informal nature and
- these challenges contribute to high failure rates and challenges further aggravated by COVID-19 and the unrest in July 2021.

The grant funding was inter alia granted to enable the Jobs Fund project to scale from two provinces to reach more informal businesses in the Eastern Cape and KwaZulu Natal and more townships in Gauteng.

## **3. OBJECTIVES OF THE SERVICES TO BE PROVIDED**

### **3.1 General Objective**

The overall objective of this assignment is to undertake a closeout audit of a selected project funded by the Jobs Fund.

### **3.2 Specific Objectives**

Specific objectives under this assignment include the following:

- To assess compliance concerning the performance requirements as set out in the grant agreement and addenda: meeting performance requirements as contracted; and upholding and enforcing project-related agreements (such as off-take agreements, partnership agreements, etc.).

- To assess existing systems for performance data collection, risk management, the control framework, and governance processes including adequacy and reliability of the current system (s) in the collection and collation of reported performance data.
- To assess whether the accounts are true and fair. This means that an examination is made on annual accounts or other types of reports that have been drawn up based on all project-related accounts and their underlying supporting documents. Not only should the accounts fairly represent the use of funds, but also the project's reported finances on the Grant Management System must correspond with these accounts.
- To assess the electronic platform from which performance data is extracted.
- To verify reported achievements against the project plan and document the extent of the completeness of the portfolio of evidence.
- To confirm through the (physically) stamped Bank Statements sourced directly from the bank that all transactions are correct and free from fraud and error.
- To investigate and confirm that transactions between the JF Partner, beneficiaries, and service providers were conducted through a competitive process and that these beneficiaries and service providers are not related parties of the JFP at arm's length.

#### **4. ASSUMPTIONS AND RISKS**

##### **4.1 Assumptions**

The service provider will be given access to all legal documents, correspondence, and any other information associated with the project deemed necessary by the closeout audit service provider. The auditor must become familiar with the Jobs Fund Frameworks.

##### **4.2 Risks**

Key risks that warrant noting are the following:

- Risk of non-cooperation by JF partner in assisting with access to documentation and information;
- Loss of institutional memory within the Jobs Fund and at the JF partner level; and
- Inadequate record keeping and maintenance of systems by JF partner.

## 5. SCOPE OF THE SERVICES TO BE PROVIDED

The scope of audit services shall cover factual findings through verification of the reliability and adequacy of the system in performance data collection, collation, and reporting. In addition, the scope of audit services shall cover the verification of validity, accuracy, and completeness of performance information prepared by the JF partner, as well as the verification of the reported achievements against the contracted indicators and the implementation of the project with the grant agreement. The agreed-upon procedures audit work should include the review of:

- Background documentation on the project's Investment Committee approval.
- The project's contract documentation includes the Grant Agreement, partnership agreements with Implementing Agents/ key service providers, and GTAC Appointment documentation.
- The project's planning documentation – project results chain and implementation plan (PIMP) and project activity-based budget.
- The project's quarterly progress reports (if applicable) and all relevant supporting documentation.
- The project's documentation evidencing adherence to selection criteria, the support provided, and subsequent monitoring and evaluation of project beneficiaries.
- Project's portfolio of evidence, including appropriate participant databases and attestations, affidavits, timesheets, and letters of completion.
- Key correspondence between the JF and JF partner including correspondence relating to non-compliance, breach, and remedial plans as applicable.
- Jobs Fund Operating Guidelines, indicator definitions, protocols, proxy definitions, and usage.

### 5.1 Audit areas

The areas to be covered in the audit are specified below for the period 01 April 2024 to 31 October 2024 and will include both a financial and performance audit in terms of the ISAE 3000 and ISRS 4400 standards.

#### 5.1.1 Adherence to key contractual obligations for project success

The audit work shall test the extent to which the JF partner has adhered to or implemented key project-related agreements (such as the grant agreement (including the Activity Based Costing Project Implementation Plan (ABC PIMP), partnership agreements, service provider agreements)

that are critical to the success of the project and its outcomes. This should include ascertaining whether:

- The project maintained the original project plan or is following an authorised remedial project plan, approved by the Jobs Fund, confirming that the key elements of the project plan present including but not limited to:
  - staffing requirements;
  - timelines;
  - appropriate risk management;
  - critical success criteria (i.e. if the project meets these, then it should meet its goals).
- All the relevant stakeholders have been identified and notified of the change in the project plan i.e. their clear communication of the new scope, objectives, costs benefits, and impacts.
- There is a stakeholder management plan in place. The project accountabilities and responsibilities have been clearly defined.

### **5.1.2 Governance**

The agreed-upon procedures audit work should confirm that there are appropriate internal controls, management mechanisms, and data systems in place for recording and reporting project financials, performance, and results that can be evidenced. Any serious weaknesses, data misrepresentations, unplanned expenditure, fraud, or irregularities discovered during the normal course of agreed-upon procedures audit work should be reported on. Review the status and actions of previous audit findings, if applicable, and recommendations.

### **5.1.3 Matched funding**

The agreed-upon procedures audit work shall cover the fulfilment of the matched funding requirement:

- Verifying the deposit and use of matched funding in project bank account(s) exclusively for the project in line with the project bank statement.
- Physical verification, review of the audit trail, and confirmation of actual in-kind contributions to the project.
- Verifying compliance with matched funding loan agreements where project funding is obtained through loans.

- Verification of matched funding to loan agreements, drawdown statements, and invoices where applicable.

#### **5.1.4 Financial management**

The agreed-upon procedures for audit work shall cover the adequacy of the accounting, financial operations, and reporting systems. This specifically includes:

- Testing the existence and management of separate project bank accounts in accordance with the Jobs Fund Operating Guidelines.
- Testing that Jobs Fund Partners have sound controls, processes, structures, and governance mechanisms to safeguard funds awarded as per the Jobs Fund Grant Agreement.
- Testing the proper recording of all financial transactions in the Jobs Fund Partner's financial system, expenditure reports on the GMS correspond with the project's accounts, and any differences are properly explained and accounted for.
- Testing that payments made to Implementing Agents (IA) where applicable are verified by the Jobs Fund Partner for validity accuracy and completeness before payment.
- Validation of expenditure at the implementing agent level. The Agreed upon procedures audit work will cover the review of expenditures incurred at implementing agent level to verify that all expenditure is in line with the contracted ABC PIMP.
- Testing the validity, accuracy, and completeness of the transfers out of the project bank account to the Jobs Fund Partner's bank account as reimbursements for payments made out of the Jobs Fund Partner's company bank account on behalf of the project.
- Testing and confirming that the reimbursements to the Jobs Fund Partner's bank account are approved by the Jobs Fund and that there are no duplications.
- Testing the reasonability and accuracy of the allocation of shared costs between the Project, the Jobs Fund Partner and where applicable the Implementing Partner.
- Testing that expenditure is evidenced with supporting documentation such as invoices, payroll information, purchase documentation, and any supporting contracts and that there is no roundtripping of expenditures to bolster project expenses.



- Documenting the basis, source, and use of other project income. For interest income from on-lending, confirm that this is appropriately reinvested into the project unless there is JF approval for a different arrangement. For loan repayments, confirm that this is not used as matched funding,' but reinvested into the project in terms of the original intent.
- Confirmation that any profit distribution from the project is in accordance with the Grant Agreement agreed with the Jobs Fund. Quantify the amount of surplus cash at the date of the closure of the project and apportion it to funding sources.
- Determine the extent to which the Jobs Fund Partner is in a position to meet outstanding obligations.

#### **5.1.5 Asset management**

The Agreed upon procedures audit work should test the extent of compliance with the Jobs Fund Operating Guidelines with respect to asset management. Specifically, the Agreed upon procedures audit work shall verify:

- That any asset purchases and infrastructure developed for the purposes of project delivery is recorded in the project asset register (reports on the GMS correspond with the project's asset register).
- That assets are appropriately managed and maintained (i.e., that there are procedures for receipt, storage, repairs, and disposal).
- That transfer to third parties is effectively managed and disclosed and in line with the Jobs Fund Operating guidelines.
- Physical inspection of the location and condition of material assets.

#### **5.1.6 Transfers**

The agreed-upon procedures audit work shall also cover transfers, loans, and subsidies made by the Jobs Fund Partner to third parties and test:

- That these are made in accordance with the project plan and budget.
- That the intended beneficiary group is the actual beneficiary group as specified in the Grant Agreement.
- That the terms and conditions agreed with the JF are adhered to.
- That all transfers are appropriately approved (there is a clear and transparent process and criteria with clear delegations) and managed (in terms of a signed agreement).

- That all related transactions (loans, extensions, bad debt write-offs, conversion to subsidies, capital repayments, and interest paid) are properly recorded, reported on, or disclosed (on the GMS and any other relevant management reports).
- That these are appropriately tracked and accounted for by the Jobs Fund Partner and project beneficiaries.
- Review credit and write-off policies and test for adherence.

#### **5.1.7 Third-party beneficiaries**

- Third-party beneficiaries' selection in line with selection criteria approved by the Jobs Fund.
- The verification of actual source supporting documentation i.e., invoices and bank statements.
- Physical inspection of transferred assets to the beneficiaries and or analytical reviews to test the accuracy and validity of transfers. Enquiry with the beneficiary of their participation and the benefits derived from the project as reported and evidenced by the Jobs Fund Partner.
- Check that mentorship/ business development agreements are being adhered to.

#### **5.1.8 Reimbursements**

The Agreed upon procedures audit work shall cover reimbursements made by the Jobs Fund Partner in cases where the Jobs Fund Partner invoices the project for expenses paid outside of the project bank account and test:

- The validity, accuracy, and completeness of the transfers from the project bank account to the Jobs Fund Partner's bank account as reimbursements for payments made out of the Jobs Fund Partner's company bank account on behalf of the project.
- Financial information for payments from the project bank account to reimburse the expenditure outside of the project bank account. Agreed-upon procedures audit work should also cover a review of procedures to ensure adequate internal controls around these transactions. All supporting documentation of the transactions must be reviewed for accuracy and validity in line with the contracted ABC PIMP.
- Reimbursements from the project bank account into corporate bank accounts are in line with the Jobs Fund Operating guidelines and JF approval on record.

### 5.1.9 Verification of Deliverables (Project outputs-jobs, trained beneficiaries, internships)

The audit work shall cover testing of:

- The process to deliver such outputs/outcomes and how this process has been documented
- The controls in this process that allow for appropriate confirmation of delivery.
- How these outputs/outcomes are measured and whether the means of verification allows for confidence in the accuracy of reported achievements.
- Testing the completeness and reliability of the project's portfolio of evidence.
- How project outputs/outcomes are consolidated and reported and whether the collected portfolio of evidence supports the reported results.
- Whether the project resources are producing the planned results. For example, are the costs being incurred for training producing the planned number of trained beneficiaries? It is the Agreed upon procedures auditor's role to identify where the inputs are not producing the planned outputs/outcomes from a factual observation. The Jobs Fund Partner would be required to respond to these findings, with appropriate explanations.
- Although the definitions for each of the six Jobs Fund indicators are standard and the auditors are expected to familiarise themselves with these definitions, certain projects
  - have implemented proxy measures for calculating progress against their contracted indicators:
    - They are used when direct measures of the outcome (e.g., an employment contract for a new permanent job) are unobservable and/or unavailable.
    - Proxy measures are most often used, in the context of the Jobs Fund, when measuring the point at which an entrepreneur becomes gainfully self-employed and can therefore be counted as a new permanent job.
- The auditors are expected to take a sample of beneficiaries reported on the Jobs Fund Standard Schedule of Evidence list for each indicator and perform verification checks:
  - A random sample against each contracted programmed indicator is expected. The sample size is to be calculated by the service provider using a 95% confidence level<sup>1</sup> and beneficiaries are then to be randomly selected from the Standard Schedule of Evidence list.

- With regards to the verification process, the auditors will need to triangulate their checks by assessing 1) what was reported by the Jobs Fund Partners on the GMS, 2) what was reported on the Standard Schedule of Evidence list, and 3) the documentation contained within the portfolio of Tier 1 evidence:
  - o Check that the reported indicator number on the GMS corresponds with the Standard Schedule of Evidence (100% sample in this case).
  - o Check that the Standard Schedule of Evidence is complete (i.e., there is no missing data) [100% sample in this case].
  - o Check for double counts in the Standard Schedule of Evidence and also check for double counts between Indicators 1, 2 & 3 (i.e., all the permanent jobs) [100% sample in this case].
  - o Take a random sample of beneficiary names on the Standard Schedule of Evidence and check against the Tier-1 evidence available.

#### **5.1.10 Reporting**

Auditors are expected to perform procedures to assess the validity, accuracy, and completeness of the project's quarterly reporting information with specific focus on the key components of the SCOA budget: Own funding, outside source funding, loan financing, valuation of in-kind contributions, other project income, management costs, transfers, subsidies, compensation and goods and services as well as reported performance information against applicable performance indicators.

## **6. AUDIT SIZE**

The JF partner selected had a total approved project value of just over R R109,013,550. It is located and implemented mostly in Gauteng, Kwazulu Natal, Eastern Cape, and Western Cape. The audit period is to include the period from 01 April 2024 to 31 October 2024. The project is to undergo performance procedures (ISAE 3000 & ISRS 4400).

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<sup>1</sup> This sampling methodology is used to determine the number of reported beneficiaries you need to verify to obtain results that may be generalised across the total reported number.

Table 1: Auditee

Item	Description	Event	
1.	Project Status	Terminated	
2.	Implementation Start Date	1 January 2023	
3.	Implementation End date	31 October 2024	
4.	Audit period	1 April 2024 to 31 October 2024	
5.	Province/Reach	Gauteng, Western Cape	
		<b>Total Contracted</b>	<b>Actual 1 January 2023 to 31 October 2024</b>
6.	<b>Project expenditure</b>	R109,013,550	R42,029,506
7.	<b>Jobs Fund Grant</b>	R49,483,431	R17,233,588
8.	<b>Total Matched Funding</b>	R59,530,119	R24,795,918
9.	<b>Number of new permanent full-time positions/jobs</b>	1,800	367
10.	<b>Number of new short-term full-time positions/job</b>	250	188
11.	<b>Trained Beneficiaries</b>	3,300	1,131

## 7. EXPECTED OUTPUTS

The following outputs are expected under this assignment:

### 7.1. Factual findings report

The auditors are responsible for elaborating all the factual findings made during the project audit and possibly an opinion. The audit finding should also include results of the review of the detailed ledger including matters relating to the form, content, presentation, and disclosure of financial statements under applicable standards. The report format shall be in line with International Standards on Related Services (ISRS) 4400. The factual findings report shall include, where applicable, estimates of the grant amount that should be considered for recoupment by the Jobs Fund. Sample sizes of tests conducted during the audit are to be incorporated in the report and referenced to recoupment calculations where appropriate.

## **7.2. Management letter**

As part of the engagement, the auditors are expected to provide a detailed management report documenting the internal control deficiencies identified, the level of risk posed by such deficiencies, their impact on the project and JF partner, and provide a recommendation to address such deficiencies identified as well as the shortcomings of the portfolio of evidence and the methodology used to collect and verify such data. It should be noted that where the auditor's report contains audit findings as indicated above, the management letter must be accompanied by a response by the JF partner indicating how these issues will be addressed/ managed going forward.

### **7.2.1 Compliance report**

In addition, auditors are expected to present any instances of non-compliance with key legislation that includes the Public Finance Management Act (PFMA), Municipal Finance Management Act (MFMA), Division of Revenue Act and the Companies Act, Basic Conditions of Employment Act, the level of risk, the implications of such non-compliance and remedies to address the issues of non-compliance. Furthermore, the auditors are expected as part of their engagement to conduct an audit of predetermined objectives with specific references to the grant agreement.

### **7.2.2 Auditor's report on internal controls**

The auditor's report on internal controls should demonstrate the auditor's understanding of the relevant control policies and procedures and identify material weaknesses in the internal controls in the management of risk.

## **7.3. Audit recommendations**

The JF partner must consider the recommendations of their auditor in order to improve the management of the project.

## **7.4. Log audit findings**

The auditors shall provide a log of audit findings in a format acceptable to the Jobs Fund, including details such as:

- Finding
- Area of audit
- Responsible
- Amount/unit
- Risk rating
- Status

## 8. PROPOSAL

### 8.1. Submission requirements

The audit proposal submitted must address and include additional information on the following:

1. Project price proposal;
2. **Certificate** of Independent Regulatory Board for Auditors (**IRBA**) membership for the Audit Firm **and** the Lead Auditor or Audit Partner responsible for the engagement (Mandatory).
3. Provide a summary of the CV of the Lead Auditor, **using the template in Annexure A**
4. Detailed CV of the Lead Auditor indicating specific audit expertise/experience in respect of the following:
  - CVs must clearly indicate Company/Client names, project/assignment titles, a brief background of the project/assignment, the proposed Lead Auditor's role in the project/assignment and the duration of the assignment/project:
  - The number of years of experience in financial and performance assurance engagements (ISAE 3000).
  - The number of years of experience in Financial and performance agreed-upon Procedures (ISRS 4400).
  - Public sector audit.
  - The number of years of experience in donor funding audit.
  - Demonstrate sound experience in performing forensic audits.
5. Copies of educational qualifications.
6. Project proposal indicating the proposed approach and methodology, which includes:
  - Project plan.
  - Reporting framework methodology.
  - Resource Matrix.
  - Audit methodology.
  - Preliminary audit plan; and
  - Approach to skills and knowledge transfer by means of recommendations to JF staff and potential remedies.

### 8.2. Budget

The Audit proposal should include a breakdown of hourly rates, time and other resources to be utilised as well as a preliminary audit plan. At the minimum, the quote must include the elements depicted in Table 7.2.1 per project. The budget quoted should be inclusive of disbursement claims if the bidder should travel to the premises of the JF partner.

Table 2: Budget proposal

<b>Project outputs</b>	<b>Estimated project hours per output</b>	<b>Estimated cost per output</b>
1. Planning with Jobs Fund		
2. Planning with Jobs Fund partner		
3. Testing		
4. Draft factual findings report		
5. Draft Management Letter		
6. Final reports		
7. Audit log		
<b>Total costs for the project</b>		

### 8.3. Required expertise

The audit firm should be a member of the Independent Regulatory Board for Auditors (IRBA) and members of the audit team should comprise of registered accounting and audit professionals with post-graduate qualifications in accounting and auditing. Failure to comply with this requirement will lead to automatic disqualification. The team is to be led by an audit manager with at least 7 years of experience in auditing as well as a team leader.

Audit experience with donor-funded projects, enterprise development, monitoring and evaluation, data verification, financial and performance audits, and public sector auditing experience will be essential. Comprehensive resumes of the Lead Auditor and support staff relating to this scope of work, including years of experience in the related fields (Financial and performance assurance engagements (ISAE 3000), Financial and performance Agreed Upon Procedures (ISRS 4400), Public sector audit, Audit of donor-funded development programmes) are to be submitted.

### 8.4. Evaluation criteria

The evaluation process will comprise of three (3) - phased approach will be followed:

- 1) Administrative compliance
- 2) Mandatory Requirement/s and Technical evaluation
- 3) Price and Specific Goals Evaluation



The proposals will be scored against the extent to which the following requirements are adequately addressed and competitive:

- Service Provider's understanding of the project requirements
- The proposed methodology and approach (including the approach to skills and knowledge transfer)
- The proposed project plan – (in terms of timelines and coherence of sequencing)
- The collective experience of the proposed team
- The overall experience of the lead team member

Table 3: Evaluation Criteria

Evaluation Stage	Description
Phase 1	<p><b>Administrative Compliance</b></p> <p>A bidder is required to submit the administrative compliance documents as referred to in paragraph 8.4.1.</p>
Phase 2	<p><b>Stage 1: Mandatory Requirement/s (Disqualification)</b></p> <p>Bidders must submit information as per Bid Submission Requirements. The submitted technical proposal must respond to the Technical Evaluation criteria cited in these Terms of Reference.</p> <p>NB: Bidders to note that failure to submit <b>any</b> of the required mandatory documents as required in paragraph 8.4.2 will lead to disqualification.</p> <p><b>Stage 2: Technical evaluation</b></p> <p>Bidders must submit information as per Bid Submission Requirements. The submitted technical proposal must respond to the Technical Evaluation criteria cited in these Terms of Reference.</p> <p>The Technical proposal will be evaluated out of 100 points with a Threshold of <b>70 points</b>.</p> <p>Only bidders who meet the threshold will be considered for the Price and Specific Goals evaluation.</p> <p><b><i>Bidders must note that submission of Annexures A (CV Template), and Annexure B (Price Proposal) in the prescribed formats is recommended.</i></b></p>
Phase 3	<p><b>Price and Specific Goals</b></p> <p>Preference points in the 80/20 formula will be awarded to bidders for attaining a score for Specific goals as indicated in Table xxx. Bidders must provide the required information for evaluation purposes.</p>

It should be noted that the stages are considered to be separate processes and, as a result, the score from phase two - stage one will not be used in phase two - stage two to calculate a total overall score. These three phases are mutually exclusive and will be treated as such in the appraisal.

#### 8.4.1. Stage 1a: Administrative Compliance

During this phase, bid documents will be reviewed to determine compliance with tax matters and the Central Supplier Database (CSD) at the closing date and time of bid. Bidders must submit all returnable documents as outlined in the table below.

Should a bidder fail to submit or fully complete the indicated SBD forms, the bidder must be requested to provide fully completed form(s) within two days from the date of notification. Failure to adhere to the notification should result in a bid being disqualified immediately after the two days have lapsed.

Table 4: Bid requirements compilation and submission:

Document to be submitted	Requirement
Electronic submission: The bid proposal to be submitted to the relevant platform before closing date and time of the bid.	Electronic submission: Confirmation report to indicate all bid documents received on or before the closing date and time of the bid.
SBD 1- Invitation to Bid	Complete and sign the supplied pro forma document.
Central Supplier Database (CSD) Registration Report or CSD registration number or SARS pin	Bidders <b>must</b> be registered on the Central Database System (CSD) at the closing date and time of the bid.
SBD 3.3 – Pricing Schedule	Complete and sign the supplied pro forma document.
<b>Note:</b> A bidder who fails to complete or does not submit the SBD 3 form will be disqualified without being granted an opportunity to submit a price.	
SBD 4 - Bidder's Disclosure (Refer to note below)	Complete and sign the supplied pro forma document
<b>Note:</b> Bidders must submit the attached SBD 4 document. A bid may be disqualified if this disclosure is found not to be true and complete in every respect. The following definitions should be considered when completing the form: - "Person" means a bidder or supplier or shareholder, director, trustee, partner, or member of a bidder or supplier having the controlling interest in the bidder or supplier. - "State" means a national or provincial department, a national or provincial public entity or constitutional institution, a municipality or municipal entity, a provincial legislature or parliament	

Document to be submitted	Requirement
SBD 6.1 - Preferential Point Claim form in terms of the Preferential Procurement Regulation (PPR) 2022	Complete and sign the supplied pro forma document. Failure to submit or fully complete SBD 6.1 will result in the bidder forfeiting points for specific goals.
Prescribed CV templates	Complete and sign the supplied pro forma template.

#### 8.4.1.1. Tax Clearance Status

A valid tax pin / Central Supplier Database (CSD) number must be provided for purposes of verifying that the tax matters of the bidder are in order. Where consortium/joint ventures/sub-contractor is involved each party to the association must submit a separate validation of Tax status and CSD registration number.

Bidder's tax matters must be compliant at the time of award. In the case where a bidder's tax matters are non-compliant, a bidder will be given a maximum of seven (7) working days to remedy the tax matters. Failure to remedy this will invalidate the bid.

#### 8.4.2. Phase 2- Stage 1: Mandatory Compliance (Disqualification)

Bidders must submit a responsive proposal in accordance with these terms of reference. Failure to adhere to any of these requirements will result in **disqualification** and will not be evaluated further for technical evaluation.

Table 5: Mandatory Requirements:

#	Requirement description	Yes/No
a.	Bidders must be registered on the Central Supplier Database (CSD) on the closing date of the Request for Bid (RFB).	Provide proof i.e MAAA number
b.	Any bidder representative (Director/Shareholder/Proposed Resource) who is employed by the state will not be considered. i.e., in the event that a bidder representative is in the employ of the state, such a bid proposal will not be considered.	SB4 disclosure and/or CSD information to be used for verification
c.	Submission of a price/financial proposal is required as per SBD 3.3	Completed SBD 3.3
d.	Is the audit firm and engagement partner or audit lead a member of the Independent Regulatory Board for Auditors (IRBA)	Provide proof of registration for both audit

		firm and individual
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#### 8.4.3. Phase 2- Stage 2: Technical evaluation

Table 6: Evaluation Criteria:

No.	Evaluation Criteria	Scoring	Weight
1.	<b>Qualification(s)</b> Relevant tertiary qualification qualifications in accounting and auditing (based on the Lead Auditor, using information from their CV)	<b>Qualification (s):</b> Registration with professional body (SAICA/IRBA) and relevant. <ul style="list-style-type: none"> <li>5 = B. Com Honours degree/Postgraduate diploma or higher (NQF 8)</li> <li>4 = B. Com degree (NQF 7)</li> <li>3 = National diploma (NQF 6)</li> <li>2 = National higher certificate (NQF 5)</li> <li>1 = National Senior (Matric) certificate (NQF 4)</li> <li>0 = No submission or non-relevant qualification submitted.</li> </ul>	<b>10</b>
2.	<b>Capability profile: Financial and performance assurance engagements (ISAE 3000)</b> (Based on Lead Auditor, using information from their CV)	<b>Experience:</b> <ul style="list-style-type: none"> <li>5 = more than 10 years</li> <li>4 = more than 8 and up to 9 years</li> <li>3 = more than 5 and up to 7 years</li> <li>2 = more than 3 and up to 4 years</li> <li>1 = up to 2 years</li> <li>0 = No relevant/experience demonstrated</li> </ul>	<b>20</b>
3.	<b>Capability profile: Financial and performance Agreed Upon Procedures (ISRS 4400)</b> (Based on Lead Auditor, using information from their CV)	<b>Experience:</b> <ul style="list-style-type: none"> <li>5 = more than 10 years</li> <li>4 = more than 8 and up to 9 years</li> <li>3 = more than 5 and up to 7 years</li> <li>2 = more than 3 and up to 4 years</li> <li>1 = up to 2 years</li> <li>0 = No relevant/experience demonstrated</li> </ul>	<b>20</b>

No.	Evaluation Criteria	Scoring	Weight
4.	<b>Capability profile: Public sector audit</b>  based on the Lead Auditor, using information from their CV)	<b>Experience:</b> <ul style="list-style-type: none"> <li>• 5 = more than 10 years</li> <li>• 4 = more than 8 and up to 9 years</li> <li>• 3 = more than 5 and up to 7 years</li> <li>• 2 = more than 3 and up to 4 years</li> <li>• 1 = up to 2 years</li> <li>• 0 = No relevant/experience demonstrated</li> </ul>	20
5.	<b>Capability profile: Audit of donor-funded development programmes.</b>  based on the Lead Auditor, using information from their CV)	<b>Experience:</b> <ul style="list-style-type: none"> <li>• 5 = more than 10 years</li> <li>• 4 = more than 8 and up to 9 years</li> <li>• 3 = more than 5 and up to 7 years</li> <li>• 2 = more than 3 and up to 4 years</li> <li>• 1 = up to 2 years</li> <li>• 0 = No relevant/experience demonstrated</li> </ul>	20
6.	<b>Approach and methodology (as per section 7.1)</b>	<ul style="list-style-type: none"> <li>• The proposal addressed <b>all</b> areas of the requirements. Confident the project can be implemented. Timeframes for implementation are clearly defined and fully align with the requirements of the ToR = 5</li> <li>• The proposal addressed most areas of the requirements. Confident the project can be implemented with additional guidance from the Jobs Fund. Timeframes for implementation are generally aligned with the requirements of the ToR = 4</li> <li>• The proposal addressed some areas of the requirements with limited details, but overall, appropriate for the project– i.e., the scope is addressed, or timeframes are mostly appropriate with the ToR requirement = 3</li> <li>• The proposal only partially addressed some areas of the requirements with gaps, but overall, not appropriate for the project- i.e., the scope was not fully addressed,</li> </ul>	10

No.	Evaluation Criteria	Scoring	Weight
		or timeframes are vague or misaligned with the ToR requirement = 2 • The proposal minimally addresses the needs of the assignment. Timeframes are not in line with the requirements = 1 • The proposal fails to address the ToR or the methodology is not included = 0	
<b>Total Score: Technical evaluation</b>			100 points
<b>Total Technical Minimum Threshold for functionality</b>			70 Points

The bid must attain a minimum threshold score of 70 points in order to be shortlisted and evaluated further for the (80/20) principle of which eighty (80) points are allocated for the price as allocated in the enclosed form SBD 6.1 that must be completed, and the remaining twenty (20) points are allocated for the specific goals as indicated in the table below:

Table 7: Specific Goals:

<b>Number of points allocated (80/20 system)</b>	
<b>Price</b>	<b>80</b>
<b>The specific goals in terms of this tender</b>	
Above 30% ownership for Historically Disadvantaged Individuals who had no franchise in national elections before the 1983 and /or 1993 Constitutions.	10
Women percentage of ownership: 30% and above	10
Total of specific goals	20
<b>Overall Total</b>	<b>100</b>

The CSD report shall be used as evidence to confirm/award points for specific goals. It is the responsibility of the bidding entity to ensure that the information on the CSD is updated.

Table 8: Definitions

<b>Terminology</b>	<b>Definition</b>
<b>“Specific Goals”</b>	means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and

	disability including the implementation of programmes of the Reconstruction and Development Programme as published in <i>Government Gazette</i> No. 16085 dated 23 November 1994;
<b>Historically Disadvantaged Individual (HDI)</b>	<p>means a South African citizen:</p> <ol style="list-style-type: none"> <li>1. who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act No 200 of 1993) ("the interim Constitution"); and/or</li> <li>2. who is a female; and/or</li> <li>3. who has a disability.</li> </ol> <p>provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI;</p>

## 9. PROJECT MANAGEMENT & REPORTING

The successful audit team will report to the DDG: Employment Facilitation in the National Treasury on a regular basis as agreed at inception. A senior qualified audit professional will be expected to oversee the process.

The audit team will be expected to attend an inception meeting which will include a briefing on the Projects. They are to provide bi-weekly updates to the Jobs Fund team. Audit teams are to avail themselves for an inception meeting.

## 10. LOGISTICS AND SCHEDULE OF THE ASSIGNMENT

### 10.1 The location where the services are required

The project will be based on-site at the relevant JF partner selected for engagement.

### 10.2 Time Frame

Audits are expected to be completed within 2 months from the date of appointment.

### 10.3 Logistic Support

The Jobs Fund PMO will provide administrative support as required.

The service provider will be responsible for the following requirements:

- Its own premises, workspaces, and desks
- All IT including computers;
- All mobile communications; and
- Any travel and accommodation arrangements (with prior approval of the project manager).

## **11. FINANCIAL IMPLICATIONS**

The service provider will be required to attend meetings virtually, when deemed necessary by the Jobs Fund. The quotation should be inclusive of all travel-related costs to the sites.

All quotations would need to specify the deliverables to be completed, time allocated to each deliverable and cost implications (please include price proposal as per SBD 3.3).

## **12. CONTRACTING AUTHORITY**

The Contracting Authority will be the National Treasury through the Government Technical Advisory Centre (GTAC).

## **13. OTHER BID CONDITIONS**

- a. Prior to the appointment, the recommended service provider may be required to submit additional supporting documentation.
- b. GTAC reserves the right to negotiate the final offer with the recommended bidder before the award.

## **14. BID VALIDITY PERIOD**

The RFQ will be validity for a period of sixty (60) days from the closing date and time of this RFQ

## **15. LEGAL IMPLICATIONS**

The successful service provider must be prepared to enter into a service-level agreement with GTAC.

## **16. CLARIFICATIONS**

- a) Requests for clarification must be made in writing by e-mail to [rfp@gtac.gov.za](mailto:rfp@gtac.gov.za).



- b) Requests for clarification will be accepted by GTAC as specified in the bid document. The submission reference must be included in the subject line of the email.
- c) Telephonic enquiries for clarification will not be accepted. Bidders must reduce all enquiries to writing.

## **17. COMMUNICATION**

Professional Services Procurement (PSP) within GTAC will communicate with bidders where bid clarity is sought, or to obtain information or to extend the validity period.

Any communication by the bidder (either by facsimile, letter, electronic mail or any other form of correspondence) to any government official, or representative, or a person acting in an advisory capacity for the National Treasury in respect of this bid between the closing date and the award of the bid is prohibited.

## **18. COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the Information to bid by bidders will result in invalidation of such bids.

## **19. PROHIBITION OF RESTRICTIVE PRACTICES**

In terms of section 4(1) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder(s) is/are or a contractor(s) was/were involved in:

- a. Directly or indirectly fixing a purchase or selling price or any other trading condition.
- b. Dividing markets by allocating customers, suppliers, territories or specific types of goods or services; or
- c. Collusive bidding.
- d. If a bidder(s) or contractor(s), in the judgment of the purchaser, has/have engaged in any of the restrictive practices referred to above, the purchaser may, without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered or terminate the contract in whole or in part and refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

## **20. BENEFICIAL OWNERSHIP**

The bidder/s are required to provide the below information for transparency.

- a. A beneficial owner of a company is an individual who, directly or indirectly, ultimately owns that company or exercises effective control over that company.
- b. Companies are required to keep a register of their beneficial owners and to provide this information to the Companies and Intellectual Property Commission (CIPC). The CIPC maintains a central register of beneficial ownership information.
- c. The beneficial ownership regime in South Africa is intended to improve transparency and accountability in the corporate sector. It is also intended to help to prevent money laundering and terrorist financing.
- d. Companies are required to keep a register of their beneficial owners and must disclose in their bids the following information as provided for in their register for information of each beneficial owner:
  - Name
  - Date of birth
  - Identity number or passport number
  - Residential address
  - Occupation
  - Nature and extent of control over the company

## 21. SUBMISSION DETAILS

Bidders to note that only electronic submission is allowed for this bid using the GTAC Vendor Portal, available on the link provided below:

<https://vendorportal.gtac.gov.za/>

Bidders are required to first register on the GTAC Vendor Portal and then login to the portal to access the tender.

The registration process involves the following steps:

- a) Register as a portal user. This is the process of creating a user account on the vendor portal. This will allow the user to view and respond to tenders.
- b) Register your supplier details. Registering your company details will allow you as the supplier to upload relevant information and documents. Supplier details must be captured in order to receive a vendor or supplier number, and will then be eligible to respond to tenders.

**RESTRICTED**

To respond to this tender, suppliers should login to the portal and navigate to the tender menu then select "Formal" then click on "Current". This will provide a list of the available tenders.

Bidders can select this tender (reference xxx) to start the submission process.

The capturing process is in the form of a wizard with the system guiding you through each step. Once all the required information is completed, remember to submit your bid. Only submitted bids will be eligible for award.

**NB: Do not submit hardcopy** bids to GTAC or the Tender Information Centre (TIC).

Submissions received after the closing date and time will not be accepted.

## Annexure A: CV template

#	Name of Team Member	Role in Project	List Key Capability Area (As per the ToR)	Reference Experience in Key Capability Areas (Reference specific projects they have worked on)	Duration of Experience for each Project (In months)	Reference (List name, organisation, contact number, and email address)
1	E.g.: Thandi Sithole	E.g.: Audit Lead	2. <b>Financial and performance assurance engagements (ISAE 3000)</b> (Based on Lead Auditor, using information from their CV)	1. Worked as Programme Director at the XYZ Challenge Fund in Kenya. Core responsibilities included...	36 months	Mr Zamile Ndlovu, XYZ Challenge Fund Director, Tel: xxxxxxxxxx; Email address: xxxxxxxxxx
				2. Project lead on the Mid-line Evaluation of ABC Challenge Fund in Pakistan. Core responsibilities included...	8 months	Ms Catherine Gregory, Evaluation Specialist for ABC Challenge Fund, Tel: xxxxxxxxxx; Email address: xxxxxxxxxx
			3. <b>Capability profile: Financial and performance Agreed Upon Procedures (ISRS 4400)</b> (Based on Lead Auditor, using information from their CV)	1. Lecturer in Post-graduate Evaluation Methodology at the University of Knightsworth	24 months	Prof. Jacob Dube, Head of Psychology University of Knightsworth, Tel: xxxxxxxxxx; Email address: xxxxxxxxxx
				2. Project lead on the Youth Workseekers Placement (YWP) Fund Summative	4 months	Dr Theresa Naidoo, Programme Director YWP
			4. <b>Capability profile: Public sector audit</b> based on Lead	1.		
				2.		

#	Name of Team Member	Role in Project	List Key Capability Area (As per the ToR)	Reference Experience in Key Capability Areas (Reference specific projects they have worked on)	Duration of Experience for each Project (In months)	Reference (List name, organisation, contact number, and email address)
			Auditor, using information from their CV)	3.		
			<b>5. Capability profile: Audit of donor-funded development programmes.</b> Based on the Lead Auditor, using information from their CV)	1.		
				2.		
				3.		
			<b>6. Qualification(s)</b> based on Lead Auditor, using information from their CV)	1.		
				2.		
				3.		